United Nations DP/CCF/POL/2

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
18 July 2000

Original: English

Third regular session 2000
25-29 September 2000, New York
Item 9 of the provisional agenda
Country cooperation frameworks and related matters

Second country cooperation framework for Poland (2001-2003)

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00-55217 (E) 120900

Introduction

1. Poland was one of the earliest beneficiaries of United Nations technical cooperation, which began in the early 1950s under the Expanded Programme of Technical Assistance, whose goals were assumed by the Special Fund until the creation of UNDP in 1965. Ever since the UNDP country programming concept was introduced in 1972, Poland has benefited from a series of such country programmes, followed by the opening of a UNDP office in Warsaw in July 1990. The first country cooperation framework (CCF) for Poland was approved by the Executive Board at its second regular session 1997, for a period of two years, and was extended until 31 December 2000.

2. UNDP is expected to continue its programme of assistance until Poland joins the European Union, projected for January 2003. The longer-term perspectives for UNDP and United Nations system assistance to Poland after this period have yet to be determined. It is against this background that the second CCF, covering the three-year period 2001 to 2003, is submitted to the Executive Board for its approval.

3. The CCF formulation process began after the country review, which took place in November 1999 (see chap. III for the main findings). To identify future needs and possible areas of UNDP support discussions subsequently took place with the main stakeholders and partners of UNDP, namely government counterparts, United Nations agencies and donors. Work on the common country assessment (CCA) was completed in late 1999. This CCF takes into consideration the findings of the country review, the priority areas identified in the CCA, the goals of the Regional Bureau for Europe and the Commonwealth of Independent States (RBEC) strategic results framework, the Administrator's Business Plans, 2000-2003, the corresponding RBEC Management Plan for 2000 and the RBEC regional cooperation framework (RCF). This CCF focuses on programme areas in which UNDP has comparative advantages and can contribute to national development priorities with visible results.

I. Development situation from a sustainable human development perspective

4. With a human development index (HDI) of 0.801 in 1997, Poland ranked 44 out of a total of 174 countries according to the *Human Development Report, 1999*. The three main indicators that make up the HDI show Poland to have an average life expectancy of 72.5 years (76.9 for women and 68.2 for men), a gross school enrolment of 77 per cent and real per capita income in purchasing power parity (PPP) of $6,520. The same report gives the 1997 gross domestic product (GDP) per capita figure for Poland at $1,926, measured in 1987 dollars and 1997 gross national product (GNP) per capita as $3,590 in current United States dollars. In terms of other human development indicators, Poland ranks marginally higher at 40 for the gender-related development indicator (GDI) and 35th for the global empowerment measure (GEM).

5. The human development issues targeted in this CCF are governance, poverty reduction through employment and human-resource development, and environment management.

6. **Governance**. Poland has made great strides in adjusting from a centralized planning system to a more decentralized democratic system since 1989. A major public administration reform programme was approved in 1999, which delegated many powers and responsibilities to decentralized, regional and local administrations, for which considerable UNDP support has been provided. Three major reforms for pension funds, health-care services and the education system were also concurrently introduced by the Government in 1999.

7. **Poverty reduction through employment and human-resource development**. Poland experienced a significant increase in registered unemployed to 2.8 million between 1990 and 1994, after which it fell to 1.8 million or 10.6 per cent by 1998 as a result of dynamic growth in the private sector, which varied from around 2 per cent in Warsaw to 9 per cent in Silesia province to 24 per cent in Warmia-Mazury province. The average unemployment index rose again to 12.8 per cent in 1999. These trends highlight the need to update skills through retraining and education and to carry out radical reforms to the educational system to ensure that future entrants to the job market

will gain employment in new productive and service industries.

8. **Environment**. Substantial progress has been made in removing pollutants from the air, water and soil, thanks in part to the closing of certain industries and in part to the strengthening of environmental legislation, adjusting it to European Union standards. Public awareness has been raised and environmental factors have figured strongly in political debate. The approval of a $2 billion debt-for-nature swap during the early 1990s has enabled a portion of Poland's foreign-debt repayment obligations to be directed towards environmental projects, which have gone some way in providing the capital required to address major environmental needs.

II. Results and lessons from past cooperation

9. The country review examined, inter alia, the results and lessons learned from the first CCF, which were extensively shared with the Government and stakeholders. The results covered three thematic areas: support to governance and European integration; promotion of sustainable livelihoods; and promotion of environmental and natural resource sustainability.

10. In terms of substantive results, the country review noted that projects were well conceived and were managed satisfactorily, although there was room for more sustained coordination between them. In the first area of capacity-building for European integration, the country review noted the increasing impact of the five national human development reports (NHDRs) prepared since 1995 in raising decision makers' awareness of issues and problems arising from transition and reform processes. These reports were complemented by a regional human development report for Silesia in 1997. A further component of UNDP support in this area was the Capacity-building for European Integration project, known as the "umbrella project". It had made significant and innovative contributions to: (a) introducing total quality management principles into public and private sector enterprises and in helping them achieve ISO 9001 levels of quality and efficiency; (b) introducing participatory and decentralized governance methods into local government through the Local Agenda 21 methodology and through the formulation of sustainable development strategies in their local communities; (c) strengthening the capacity of non-governmental organizations (NGOs) to ensure that their services could be subcontracted by local authorities; and (d) sharing Polish experience and expertise in the above areas with other countries in transition.

11. With regard to promoting sustainable livelihoods, UNDP assistance focused on preparing studies on human development issues in the Katowice region of Silesia, as a means of raising awareness and facilitating discussion on the social implications of restructuring the coal and steel industries. Furthermore, it concentrated on measures to alleviate the consequences of transition on vulnerable groups, for instance pensioners, coal-miners, women and children. In addition, UNDP worked with the Government, the NGO community and international donors to help Poland to address the spread of HIV/AIDS, for which UNDP, with overall funding of over $2 million from the Government, the Open Society Institute (OSI), the Joint United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Population Fund (UNFPA), bilateral donors and private companies, such as Levi-Strauss, served as the main provider of international assistance and expertise.

12. In terms of environmental and natural resource sustainability, UNDP focused on urban environmental management and sustainable development through the Katowice Agglomeration and through the provision of small grants to NGO-supported biodiversity projects and energy efficiency and alternative energy projects. The Global Environment Facility (GEF) Small Grants Programme, evaluated in January 1998, has been acknowledged in the Government, research institutes, the media, local communities and among NGOs as one of Poland's most effective environmental-improvement programmes that existed between 1994 and 1998.

13. The country review also recommended taking a number of measures that would strengthen Poland's compliance with UNDP procedures for project design, appraisal and auditing, and increased coordination between projects to promote synergies and exchanges of experience and information. It also suggested adopting new approaches that would enhance collaboration with the European Union and the World Bank, with UNDP acting as a substantive partner in areas of common concern to a number of donors.

14. The country review encouraged UNDP to play a more proactive and innovative role in promoting the use of United Nations system operational and normative capacities and in upholding the mandates of United Nations agencies to assist in raising standards to a level consistent with European Union requirements. UNDP would thereby play a stronger complementary role in European Union- and World Bank-assisted projects that back the agenda of the Government to join the European Union.

15. With regard to resource mobilization, UNDP succeeded in quadrupling its limited core funding from $1.7 million in 1997 to $7.1 million in 2000 as a result of cost-sharing from the Government, Japan, the Netherlands and the European Union ($4.6 million) and other funds, notably GEF ($0.8 million). For the "umbrella project" alone, the proportion was ten to one. Nevertheless, the country review advised making greater efforts to mobilize additional cost-sharing from both regional and local administrative units benefiting from UNDP support, as well as from eventual donor partners in common areas of concern, such as the European Union and the World Bank.

III. Objectives, programme areas and expected results

16. The main aim of the Government is to qualify for membership of the European Union. In July 1997, the European Commission recommended beginning negotiations for Poland's accession to the European Union. In 1998, the document entitled "Accession Partnership" was drafted describing a pre-accession strategy to mobilize all forms of assistance within a single framework, including through a national programme for the adoption of the *acquis communautaire* (or European Union levels in different fields) and a joint assessment of economic policy priorities.

17. UNDP mandates, comparative advantages and expertise should as far as possible serve to help Poland to (a) achieve the goals expressed at United Nations international conferences and conventions, particularly those relating to poverty alleviation, gender in development and the environment; and (b) to satisfy criteria for European Union accession, especially with regard to: (i) reinforcing institutional and administrative capacity; (ii) strengthening the internal-market economy, particularly by promoting enterprise development; (iii) improving employment and social affairs, particularly by developing appropriate labour-market structures and policies; (iv) protecting the environment, by enhancing monitoring and implementation structures and capacities and by integrating sustainable development principles into national sectoral policies; and (v) promoting regional policies and cohesion, including the development of administrative structures and budgetary procedures, financial instruments, monitoring and control mechanisms, to benefit from European Union structural programmes after membership.

18. In this process, UNDP efforts will fall into the broader context of development assistance, of which the largest donors are the European Union and the World Bank. In view of the relatively small size of UNDP resources, and in order to ensure that they are used to strengthen the capacity of the Government to meet European Union accession criteria, it is suggested that UNDP strengthen its partnerships with other donors via formal and/or informal arrangements in areas with common goals.

19. Future UNDP assistance should therefore focus on three programme areas, consistent with European Union accession priorities, namely policy and institutional change in governance, poverty reduction through employment promotion and human-resource development, and environmental management. Furthermore, UNDP will pursue cross-cutting goals that foster gender mainstreaming and promote women's rights and participation; that strengthen the capacity of NGOs; and that further technical cooperation between Poland and other countries in transition, including developing countries.

20. These three programme areas will be interlinked to ensure a cohesive impact and a multisectoral, integrated approach to UNDP assistance. This approach is expected to strengthen input-output linkages within and between the programmes.

A. Policy and institutional change for good governance

21. In the view of the "Accession Partnership", regional policy development and strengthened institutional capacity should play an essential role in future European Union structural programmes. The

Government is currently preparing a national plan of development to build on a series of national strategies which relate, inter alia, to public administration reform, employment and human resource development, agriculture and rural areas, and environmental protection. They will serve as the main frameworks for UNDP support.

22. UNDP will continue to promote a human development perspective in national and rural policy-making through the preparation of NHDRs and regional human development reports for Silesia. The aim is to inform decision makers of human development needs and eventual solutions. The NHDR and other tools will serve to strengthen the monitoring mechanisms of human development trends, including the social implications of recent reforms, such as those relating to the educational system, the subject of the 1998 NHDR.

23. UNDP will use its comparative advantages to support the goal of the national strategy for regional development to strengthen public administration, through the training of public-sector organizations on how to introduce quality management processes. This will include consolidating the recently established Umbrella Association of Consultants to help organizations qualify for ISO 9000/9001 accreditation and meet the criteria of the excellence model of the European Foundation for Quality Management (EFQM).

24. As part of its support to the national strategy of regional development, UNDP will train and provide consultancy to local administrations on how to formulate and implement Local Agenda 21 (LA21) sustainable development strategies at the county (*powiat*) and municipality (*gmina*) level. This will enable *powiats* and *gminas* to plan and coordinate local-government services more effectively and to respond better to local needs by retaining principles endorsed by the United Nations Conference on Environment and Development and by common European Union practice.

25. UNDP will continue to strengthen the capacity of NGOs as instruments of democratic governance and popular participation and as implementation mechanisms for advocacy and the delivery of services in the areas of health, particularly HIV/AIDS and drug abuse control, social services, public works, the environment and voluntary service. UNDP will also support NGO follow-up activities to the Fourth World Conference on Women in Beijing, and will backstop UNFPA-supported projects for the training of paediatric nurses in reproductive health, adolescent and sexually transmitted diseases, and activities to promote early screening for breast cancer.

26. One of the main instruments of support will be the Umbrella Association of Consultants, which will provide a competitive service of excellence to improve the quality of public-sector institutions, regional and local authorities and NGOs, while satisfying European Union standards and international goals for sustainable development.

27. Poland's rapid development in the last ten years and the demand to learn from its experience by other countries has enabled the Government to adopt a policy aimed at moving from a status of beneficiary country to that of a donor country. As a result, it is keen to share its expertise on the one hand through the process of technical cooperation among countries in transition, particularly with the countries of the former Soviet Union but equally with developing countries, through assignments of Polish experts. In this respect, with the help of UNDP, the Government proposes to establish a Polish international volunteer agency to send Polish volunteers abroad for humanitarian and development purposes.

B. Poverty reduction through employment and human-resource development

28. Despite the progress made by Poland in carrying out its transition process since 1989, certain sections of the population have been adversely affected by it. In terms of overall poverty and human development, significant groups and regions still have not benefited from the potential offered by the transition to full democratic processes and a market economy, particularly in rural areas and those dominated by industries undergoing restructuring, such as the coal industry in Silesia.

29. UNDP assistance will be provided via two national strategies, the national strategy for regional development and the national strategy of employment and human resource development, and will be concentrated mainly in the three regions of Silesia (south), Lublin (east), and Warmia-Mazury (north-east). In Silesia, UNDP support will be closely linked

to the proposed investment support for social and economic cohesion project of the European Union PHARE 2000 programme as part of efforts to implement the operational programmes for regional development of these regions, under the coordination of the Ministry of Economy.

30. With regard to the national strategy for employment and human-resource development, UNDP will assist the Ministry of Labour and Social Policy and relevant regional authorities at the upstream level in developing programmes and projects, and at the downstream level in supporting training and capacity-building activities in all three regions. The assistance will be applied through a four-pronged approach. The first is to build capacity to design projects and mobilize investment resources for the regeneration of economic activity, which will provide employment and income-generation possibilities for over half a million unemployed and contribute to environmental goals. The second is to help establish a process of social dialogue between employers, unions and workers in order to allow for a harmonious transition during the period of radical changes as uneconomic coal and steel industries are restructured. The third is to use the Foundation for Polish Credit Unions, which focuses on providing savings and loan facilities to low-income groups, to expand its services by providing free advice on financial, entrepreneurial, and legal matters to less affluent strata of society, including people temporarily trapped by poverty as a result of a difficult family situation, disability, usury loans and/or the lack of basic skills to manage personal finances that often results in the inability to meet regular payments, such as rent, utilities and loans. The fourth is to facilitate a process of dialogue and reflection in the area of educational reform in the context of changing labour-market requirements, and thereby to build on the earlier treatment of this subject in the 1998 NHDR and the Silesian HDR.

31. A number of donors, particularly the European Union and the World Bank are involved in both national strategies. It is proposed that UNDP support be provided for certain components of the strategies and that strategic partnerships be developed with the Government, the European Union and the World Bank to identify the eventual roles that UNDP will play in them. Inputs from relevant United Nations agencies, such as, the International Labour Organization (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Industrial Development Organization (UNIDO), and other donors may also be required.

C. Environmental management

32. The protection of the environment and compliance with European Union environmental norms are major features of the European Union "Accession Partnership". They cover the areas of solid- and hazardous-waste management, drinking and wastewater, air pollution and nature conservation. They also include the development of planning, monitoring and implementation mechanisms and capacities, related to each area. Poland's environmental programmes for the next decade, therefore, will be shaped by the requirements of accession to the European Union, which will involve a revision of Polish environmental law. Furthermore, the national strategy for the protection of the environment (1991-1999) is being replaced by a national ecological policy which will provide a framework for long-term targets beyond 2010.

33. Poland will also continue to seek assistance in its efforts to comply with international environmental conventions, particularly those relating to climate change and the reduction of greenhouse gases and ozone-depleting substances (ODS) (Montreal Protocol and the national biodiversity strategy/action plan). Poland will be required to submit reports on its implementation of environmental conventions, particularly in connection with the tenth anniversary of the United Nations Conference on Environment and Development in 2002. It has been proposed that UNDP provide support in the following areas.

34. **Environmental monitoring**. Institutional support to the Ministry of the Environment and provincial authorities may be required to establish systems and tools and provide training to facilitate environmental monitoring at both the national and regional levels. This would be done in accordance with European Union accession criteria relating to integrated pollution prevention and control, the national strategy for the protection of the environment and international environmental conventions.

35. **Climate change**. Support for institutional capacity-building may be required to develop adaptation strategies for climate change in the areas of

energy, transport and other related issues. As part of this effort, two major GEF projects have been launched: the use of biomass (wood wastes) for heat production ($4.3 million) and support for the Polish Energy-efficient Motor Programme ($5 million). Preparatory work is now under way for the formulation of full projects.

36. **Biodiversity**. NGO/Community-level initiatives can be the backbone of support for GEF areas of focus, such as climate change and regulating international waters. Success, however, will require continued support for the activities of the interregional GEF Small Grants Project (INT/98/G532) and for a GEF/SGP devoted to Poland's country programme strategy. The strategy has been elaborated to guide future GEF funding proposals which will concentrate on operational programmes in the nine areas of biodiversity conservation: coastal, marine and freshwater ecosystems; forest ecosystems; climate change; renewable energy; transboundary waterbody-based interventions; and integrated land and water multiple-focus interventions.

37. Biodiversity support will also come through a new Medium Size Grants facility which will include a new GEF-financed project for the conservation and management of the Upper Narew Valley ($1 million) and an integrated programme for wetland conservation using the white stork as a "flagship" species ($450,000).

IV. Management arrangements

38. **Programme and project design**. To complement the present CCF and to provide a broader organizing framework for individual projects, documents should be prepared for each of the three major programme areas. Doing so will help to provide a fuller justification for UNDP involvement in each and to identify vertical linkages with government programmes and horizontal linkages with individual projects and donor support. In addition to project documents, these will provide conceptual and operational frameworks for the implementation of the Administrator's Business Plans, 2000-2003, at the country level.

39. **Programme and project monitoring**. To ensure the necessary accountability for results and performance and to monitor implementation of UNDP Business Plans, 2000-2003, at the country level, an overall monitoring system will be established to ensure compliance with UNDP monitoring and evaluation procedures, including reports, project reviews with stakeholders and field visits. This may include the revitalization of the Country Programme Committee, made up of representatives of the main UNDP counterpart organizations and financial and operational partners, which would meet at least twice a year. This process will provide inputs into the results-oriented annual report (ROAR) system of UNDP, and be useful for data collection for the subsequent country review of the second CCF.

40. **Execution modalities**. Building on previous experience and lessons, UNDP will continue to use the national execution modality in the next programme cycle. UNDP will also continue to rely, where appropriate, on United Nations specialized agencies in assuring the quality of UNDP-supported programmes, in providing conceptual and technical backstopping in fields where these agencies have comparative advantages and in assisting the Government in follow-up activities following United Nations global conferences.

41. **Strategic partnerships and coordination**. Limited UNDP resources necessitate the forging of close partnerships with other donors, in pursuit of common or complementary objectives, if the country's European Union accession requirements are to be met within the short time available. Eventual partnerships and coordination mechanisms will be created on both a national and regional basis between UNDP partner organizations, such as the World Bank and the European Union, under the overall coordination of the Office of the Committee for European Integration (UKIE). Links will also be consolidated with international NGO partners, such as the Open Society Institute. A new culture of networking with external partners and other country offices will be developed through regular coordination meetings in which UNDP has been requested to play a greater role. In carrying out the CCF, close links will be maintained with the regional projects based in Bratislava.

42. **Resource mobilization**. The UNDP office will continue to utilize core resources as seed money and attract additional resources from the Government and donors for project implementation and for projects of mutual benefit to all stakeholders. This could come in the form of cost-sharing or co-financing. The mobilization strategy of UNDP to raise additional

resources from the Government, the private sector and international financial institutions will be based on the country office's ability to develop effective partnerships with both national and international organizations working to achieve common European Union accession and other objectives.

43. **Advocacy and communications strategy**. UNDP will strengthen its communications and advocacy role, with each project giving greater priority to communications and to raising public awareness of its activities. This strategy will be complemented by the regular updating of the UNDP web site and by the efforts of the United Nations Information Centre, whose Resident Representative is the acting director.

44. **Technical cooperation among countries in transition**. UNDP will promote the use of this modality for the dissemination and learning of best practices, whereby Poland will be able to share its experience and expertise with other transition and developing countries. UNDP will also build on the experience gained while working with both national and international NGOs, particularly with regard to the environment.

45. **UNDP office capacity-building**. The capacity of the country office staff will be further developed through formal and on-the-job training. Staff members will also be encouraged to network with other UNDP country offices in the region and with the Regional Bureau for Europe and the CIS (RBEC) regional centre in Bratislava. Exchange of best practices, including extended use of the Subregional Resource Facility in Bratislava, will continue. The result of this policy will be a more effective office structure, with more possibilities to share information and benefit from the experience of other countries. Extensive use of electronic means of communication (e-mail and Internet and the web page of UNDP Poland) will be made to promote information-sharing, learning and coordination. Staff profiles will be aligned with evolving organizational needs and units will be set up and staffed to meet the goal of a transformed UNDP.

Annex

Resource mobilization target table for Poland (2001-2003)

Source	Amount (In thousands of United States dollars)	Comments
UNDP regular resources		
Estimated carry-over	(317)	Includes AOS.
TRAC 1.1.1	472	
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
Other resources	-	
SPPD/STS	195	
Subtotal	**350***	
UNDP other resources		
Government cost-sharing	2 270	Based on current discussion with the Government and the last cycle experience.
Sustainable development funds		
of which:		
GEF	6 750	Based on implemented PDFs, to be confirmed by GEF.
Third party cost-sharing	2 270	Based on current discussion with potential donors.
Funds, trust funds and other	-	
Subtotal	**11 290**	
Grand total	**11 640***	

* Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: AOS = administrative and operational services; GEF = Global Environment Facility; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; PDF = Project Development Facility.